

Statement of Doyle Fincher

Mr. Chairman, members of the Committee, my name is Doyle Fincher, President of the Western Peanut Growers Association. Today I am representing a coalition of state and regional peanut organizations from across the country; the Alabama Peanut Producers Association, the Georgia Peanut Commission, the Florida Peanut Producers Association, the Georgia Peanut Producers Association, the Panhandle Peanut Grower Association, the North Carolina Peanut Growers Association and the Western Peanut Growers Association. Since I last appeared before this Committee, both the Alabama Peanut Producers Association and the North Carolina Peanut Growers Association have expressed support for the peanut marketing loan program.

As we testified previously before this Committee, our grower organizations representing the large majority of the peanut production in every region of the country, supports a \$500 marketing loan program for peanut producers. We also testified that our quotaholders who have made significant long-term investments and have planned their futures, in many cases, on their quota income should be compensated for the loss of their quota.

We believe a payment of 14 cents per pound over the life of this bill, with a minimum of five years, is fair compensation. We pointed out in our earlier testimony

that the 14 cents per pound is the average annual lease rate for quota in the State of Georgia, our nation's largest peanut producing state.

The Draft Farm Bill Concept Paper provided \$3.4 billion over 10 years for the development of a peanut reform program. We appreciate the Committee's efforts to provide funding for peanut growers to move our program into the world marketplace.

It is our understanding that the \$500 marketing loan coupled with the 14 cent per pound transition payment will cost greater than the \$3.4 billion proposed by the Committee.

We also understand that the Congressional Budget Office has scored the quotaholder transition payment of 14 cents per pound at \$1.75 billion over 5 years. The \$450 per ton marketing loan will cost \$2.45 billion over 10 years according to CBO. The total of these marketing loan and transition payment costs are greater than the \$3.4 billion recommended in the Committee's Concept Paper.

We believe that both the loan and the transition payment components are essential in making the New Peanut Program work effectively in all regions of the country.

If our marketing loan and transition payment proposal must be reduced because of the budget constraints, it is important that they be reduced without significant bias

towards the producer or the quotaholder. We must prepare for the future of the industry but not ignore the tremendous investment, made in good faith, of the past.

We ask that the Committee work with CBO to determine a marketing loan rate and a transition payment for the quotaholder that falls within your \$3.4 billion allocation for peanuts if the Committee feels that no more monies can be allocated for this significant change in the peanut program.

We want to continue to work with Committee as you develop your farm bill peanut proposal.

Thank you for allowing me to testify today.